

File 5/027/089

9/14/06

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
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DIV. OF OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/1/05 To (mo./yr.) 12/31/05
2. DOGM File Number (Mine No): S /270 / 089
3. Mine Name: Utah State Lease - Black Springs
4. Mineral(s) Mined (or permitted to mine): Perlite
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
1/4, 1/4, NW 1/4, Section 2, Township 24S, Range 9W
1/4, 1/4, SW 1/4, Section 2, Township 24S, Range 9W
1/4, 1/4, 1/4, Section , Township , Range
7. Name of Operator or Company: World Minerals, Inc
8. Permanent Street Address: PO Box 287
City, State, Zip: La Grande, Oregon 97850
Phone: 541/963-3987 Fax: 541/963-3995
9. Company Representative (or designated operator):
Name: Joseph Levay
Title: Chief Geologist
Business Address: PO Box 287
City, State, Zip: La Grande, Oregon 97850
Phone: 541/963-3987 Fax: 541/963-3995

☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 11,081.09 Tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.
Bulldozer stripping and ore ripping. In excess of 12,000 tons of crude Perlite ore was mined from our existing SMO permitted area. Part of the ore mined was crushed and screened on mine site and stockpiled. Trucking moved 11081.09 tons to our Milford plant site. Approximately 4.5 acres has been disturbed to date. A 28 hole diamond drilling program was completed.
5. How much **additional acreage** was disturbed during the past year? About 4.40 Acres
6. How much acreage was **reclaimed** during the past year? None
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
None
8. What is the **total** disturbed acreage of entire project at years end? About 4.5 Acres
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Additional mining will take place in 2006 from the SMO permitted area. Crushed and screened ore will be trucked to the Milford plant site. We will be applying for an LMO for this site in 2006.

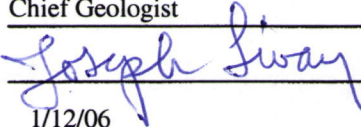
NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):	<u>Joseph Levay, Agent</u>
Title of Operator:	<u>Chief Geologist</u>
Signature of Operator:	<u></u>
Date:	<u>1/12/06</u>